F.E.R.C. No. 1.0.0 (Adopts F.E.R.C. No. 10.2.0*)
*Apache GOM Pipeline, Inc. series

[N] FW GOM PIPELINE, INC.

[C] Apache GOM Pipeline, Inc.

LOCAL RULES AND REGULATIONS TARIFF APPLYING ON COMMON CARRIER TRANSPORTATION OF CRUDE PETROLEUM

The provisions established herein will, if effective, not result in an effect on the quality of the human environment.

[N] Effective January 28, 2014, this tariff brings forward and adopts the rules and regulations of Apache GOM Pipeline, Inc., F.E.R.C. No. 10.2.0 with changes as indicated.

[N] Filed under the authority of 18 CFR § 341.6 (Adoption).

[N] <u>Issued on less than one day's notice under authority of 18 CFR § 341.14. This tariff</u> publication is conditionally accepted subject to refund pending a 30 day review period.

[C] This tariff carries forward without change the Rules and Regulations of Apache Corporation, in accordance with the Adoption Notice of Apache GOM Pipeline, Inc., FERC No. 1, effective April 1, 2005.

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RULES AND REGULATIONS

1. **Definitions.** "Carrier" means [W] FW GOM Pipeline, Inc. Apache GOM Pipeline, Inc.

"Petroleum" or "Crude Petroleum" means the direct product of oil and/or gas wells, or a mixture of the direct and indirect product, and containing not more than I% of basic sediment, water and other impurities.

"System" means the South Pass-West Delta Pipeline Gathering System, which is operated by Marathon Pipe Line LLC. [W] <u>FW GOM Pipeline</u>, <u>Inc.</u> <u>Apache GOM Pipeline</u>, <u>Inc.</u> owns an undivided interest in the System.

"Pipeline Operator" means Marathon Pipe Line LLC.

"Pipeline" means Carrier's undivided interest in the System.

"Shipper" means any party nominating and tendering Petroleum for transportation by Carrier in accordance with the terms of this tariff.

"Barrel" means 42 United States standard gallons at 60 degrees Fahrenheit.

"Nomination" means an offer by Shipper to Carrier of a stated quantity of Petroleum for transportation from a specified origin to a specified destination in accordance with this tariff.

"Tender" means delivery by the Shipper to the facilities of the Carrier of a stated quantity of Petroleum for transportation in accordance with the Shipper's Nomination and the provisions of this Tariff.

2. Specifications. (a) Carrier will receive Petroleum for transportation from established origin points on the System to the established delivery point at the West Delta Receiving Station. Petroleum nominated or tendered for transportation which differs materially in gravity, viscosity or other characteristics from that usually transported by Carrier in accordance with the specifications of the Pipeline Operator of the System will be transported on a non-discriminatory basis only at the option of Carrier and only under such terms as Shipper and Carrier may agree.

- Carrier reserves the right to reject any petroleum whose sulfur content, as measured at the (b) Shipper's Receipt Point and the Delivery Point at the West Delta Receiving Station (WDRS), exceeds 0.5% by weight, as determined by ASTM Method D429 without a centrifuge. In the event that the sulfur content measured at WDRS exceeds 0.5% by weight and deliveries of the common stream to the immediate downstream connected pipelines are jeopardized, Carrier shall promptly issue a Notice to each Shipper whose crude petroleum exceeds 0.5% by weight measured at the Shipper's Receipt Point to take immediate action to reduce the sulfur content of the SPWD common stream to 0.5% by weight measured at WDRS. Each such Shipper shall, no later than 15 days from the date of Carrier's Notice, provide to Carrier a plan to reduce the sulfur content of the South Pass-West Delta Pipeline System (SPWD) common stream to 0.5% by a date no later than 30 days from the date of Carrier's Notice. If the requisite sulfur content measured at WDRS is not achieved by the 30th day following Carrier's Notice, Carrier shall have the right, without further notice, to impose a pro rata curtailment or pro rata shut-in of each Shipper whose crude petroleum, as measured at WDRS, exceeds 0.5% and to maintain such curtailments or shut-ins to ensure that the common stream measured at WDRS does not exceed 0.5% sulfur by weight. In the event that the sulfur limit at WDRS exceeds 0.5% by weight, but deliveries of the common stream to the immediate downstream connected pipelines are not jeopardized because: (1) one or more of the immediate downstream connected pipelines has in effect a sulfur limit which allows the common stream to be delivered; and (2) all shippers of the common stream nominate deliveries to such downstream connected pipeline, then Carrier shall not issue the Notice and shall not take action to curtail or shut-in crude petroleum whose sulfur content as measured at the Shipper's Receipt Point exceeds 0.5% by weight.
- **3. Nominations.** Shipper will be required to submit Nominations of volumes to be transported by the tenth day of the month preceding the month of shipment. No volume shall be considered beyond the volume which Shipper has readily accessible for shipment.
- **4. Origin and Destination Facilities.** (a) Physical and legal transfer of custody of Petroleum from Shipper to Carrier shall be at the point at which a pipeline carrying the Petroleum is connected to facilities owned by Carrier. Shipments will be accepted for transportation hereunder only after Shipper has provided facilities required by this Item and Item 5.

- (b) Shipper shall provide facilities that are necessary to meet Carrier's operating characteristics and are capable of delivering Petroleum at such origin point at pressures and pumping rates required by the Pipeline Operator. Pumping equipment shall be controlled so that the pumping rate shall not exceed 120% of the average rate required to inject the quantities of Petroleum scheduled for shipment from Shipper's point of origin during the scheduled period. Shipper must give six months notice of any change in pumping equipment or injection pressure that may affect the pressure required of other shippers. Carrier or Pipeline Operator must give six months notice of any change in pumping equipment or injection pressure that may affect the pressure required by Shipper.
- (c) Carrier will receive Petroleum for transportation only when Shipper has provided the necessary arrangements for receiving said Petroleum promptly on arrival at the West Delta Receiving Station, at which point all deliveries will be made out of Carrier's Pipeline. Measurement of deliveries at this point for purposes of custody transfer shall be after separation and by meters provided by Shipper. Meters shall be proven at least monthly and may be proven more frequently at the option of Carrier. Carrier shall notify Shipper sufficiently in advance of such proving to allow witnessing thereof if Shipper so desires. All operation and proving of meters shall be in accordance with accepted industry standards and the latest applicable API standards. Samples shall be obtained by an approved flow proportional sampler with the sample probe installed in a vertical pipe section.
- 5. Gauging, Testing and Deductions. Shipper shall install on his platform, at his expense, in accordance with applicable API codes and ASTM standards, metering and meter proving equipment capable of continuous custody transfer measurement and devices for continuous proportional-to-flow sampling of Petroleum and shall provide Carrier and Pipeline Operator access to the platform for purposes of meter testing and proving and sampling. Petroleum shall be gauged through these meters. A representative of Carrier may prove the meters on 48 hours notice to platform operator. Shipper shall have the privilege of being present or represented at the proving. The gross volume at the observed temperature will be corrected to sixty degrees (60°) Fahrenheit. The full percentage of basic sediment, water and other impurities as ascertained by a centrifuge machine or other tests will be deducted from corrected volume.

Quantities received from each Shipper shall be determined by allocating and dividing among all Shippers from whom Petroleum was received the amount delivered at final destination in the proportion that the quantity received from each Shipper bears to the total quantity received from all Shippers. Subject to the provisions of Item 14, transportation charges shall be assessed on the quantities thus determined.

- 6. Shipments, Maintenance of Identity. All Petroleum transported through the Pipeline will be intermixed with other Petroleum shipments in the System and shall be subject to such changes in gravity, quality and other characteristics as may result from such intermixing. No Shipper shall be entitled to receive the identical Petroleum delivered by it to Carrier. Delivery by Carrier to Shipper or its consignee shall be out of common stock or Carrier's stream which has been commingled with the streams being carried by others owning undivided interests in the System.
- 7. Clear Title to Petroleum Required. Carrier may require Shipper to present evidence of its clear and unencumbered title to any Petroleum nominated or tendered. If any Petroleum nominated or tendered for transportation is involved in litigation, or if its ownership is in dispute, or if it is encumbered by lien or charge of any kind, Carrier may on a non-discriminatory basis refuse to accept delivery and transportation of such Petroleum unless Shipper provides an indemnity bond or other surety to protect Carrier against any and all loss.
- 8. Delivery and Failure to Take Delivery. Carrier will transport Petroleum with reasonable diligence, considering the quantity of Petroleum, the distance of transportation and other material elements. In the event Shipper fails to take delivery of Petroleum promptly upon arrival at the West Delta Receiving Station, Carrier shall have the right to sell such Petroleum for the best price obtainable. Carrier may be a bidder and purchaser at such sale. Out of the proceeds of such sale Carrier may pay itself all transportation and other lawful charges and all expenses incident to the sale. The balance from said sale shall be held for whomsoever may be lawfully entitled thereto.
- 9. Payment of Transportation and Other Charge. Shipper or its consignee shall pay Carrier at the rate specified for transportation and all other lawful charges accruing on Petroleum tendered and accepted for shipment. If required, Shipper shall pay amounts due for transportation before final delivery. Carrier shall have a lien on all Petroleum in its possession to cover charges for transportation and other lawful charges and may withhold delivery of Petroleum until said charges are paid. If such charges remain unpaid for more than five (5) days after notice of readiness to delivery, Carrier by any agent may sell said Petroleum at public auction. Such auction shall take place at the office of Carrier on any day not a Sunday or a legal holiday and not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation in the city where the office is located.

The notice will specify the time and place of the sale and the quantity of Petroleum to be sold. Carrier may be a bidder and a purchaser at such sale. From the proceeds of the sale, Carrier may pay itself all charges lawfully accruing, including all expenses of said sale, and the net balance shall be held for whomsoever may be lawfully entitled thereto.

- 10. Proration of Pipeline Capacity. When there shall be nominated to Carrier for transportation more Petroleum than can be immediately transported, the transportation shall be apportioned among all Shippers in proportion to the amounts nominated by each. Provided, however, that no nomination for transportation shall be considered beyond the amount which the party requesting the shipment then has on hand accessible and ready for shipment. Carrier shall be considered as a Shipper of Petroleum produced or purchased by itself and held for shipment through its lines, and its Petroleum shall be entitled to participate ratably in such apportionment.
- 11. Liability of Carrier. (a) Carrier shall not be liable for any loss or damage or delay to Petroleum caused by an Act of God, war or act of public enemy, quarantine, authority of law or public order, riots, fire, floods, explosion, sabotage, or act of default of any Shipper or owner, or for any other cause not due to negligence of Carrier whether similar or dissimilar to the causes herein enumerated.
- (b) The quantity of Petroleum deliverable at final destination shall be the quantity received at origin, less shrinkage, evaporation or other loss in transit. Losses due to leaks or pipeline breaks resulting from any cause other than negligence of Carrier shall be shared proportionately among all Shippers in the particular pipeline segment. All other losses, however occurring, shall be borne by all Shippers and be shared proportionately by Shippers as described in Item 5.
- 12. Notice of Claims. As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after delivery of the property, or in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed. Suits shall be instituted against Carrier only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice.
- 13. Application of Rates From and to Intermediate Points. For a shipment accepted for transportation from any point on Pipeline not named in Carrier's tariff and intermediate to a point from which rates are published through such unnamed point, Carrier will apply from such unnamed point the rate published from the next more distant point specified in the tariff.

For a shipment accepted for transportation to any point on Pipeline not named in Carrier's tariff and intermediate to a point to which rates are published, Carrier will apply to such unnamed point the rate published to the next more distant point specified in the tariff.

If the intermediate point is to be used on a continuous basis for more than 30 days, Carrier will file a tariff governing the transportation pursuant to applicable regulations.

- **14. Application of Rates.** Petroleum accepted for transportation hereunder shall be subject to the rates in effect on the date of receipt by Carrier irrespective of the date of the tender. The transportation charge shall be payable upon the gross volume of Petroleum transported including basic sediment, water and other impurities as such gross volume is corrected to 60 degrees (60°) Fahrenheit.
- 15. Inhibitors. Shipper, upon request of Carrier or Pipeline Operator, shall install, maintain and operate or make arrangements with platform owners to install, maintain and operate equipment to inject corrosion inhibitor into the System. Shipper shall purchase such corrosion inhibitor. The injection of such corrosion inhibitor and the type of inhibitor shall be subject to the control of Pipeline Operator.
- 16. Legality of Shipments. Carrier reserves the right to reject any and all Petroleum offered for shipment when Shipper or consignee fails or is unwilling or unable to comply with all applicable laws, rules, regulations or requirements of any governmental authorities regulating production, shipment or delivery of Petroleum, or fails to demonstrate to Carrier's satisfaction that the shipment would be in conformance with the provisions of Carrier's tariff.
- 17. Evidence of Receipts and Deliveries. Petroleum received from Shipper and Petroleum delivered to consignee shall in each instance be evidenced by tickets showing opening and closing meter readings, temperature, basic sediment and water and any other data essential to the determination of quantity. Such tickets shall be jointly signed by representatives of Carrier and of Shipper or consignee, as appropriate, and shall constitute full receipt for Petroleum received and Petroleum delivered.
- 18. Communication. Shipper shall provide or arrange with platform owners to provide one voice communication circuit plus one data communication circuit from each connected platform pumping facility to a point on a microwave system provided or arranged for by Carrier and the necessary transducers and transmission equipment to enable the System operator to monitor meter readings and System injection pressure.
- **19. Pipage Contracts.** Separate pipage contracts in accord with this tariff covering other details may be required by carrier before any duty for transportation shall arise.
- **20. Quality Bank.** All Petroleum transported by Carrier will be subject to the obligations and procedures set forth in the "SPWD Quality Bank Policy" as published in Marathon Pipe Line Company FERC No. 53, issued June 24, 2003 and effective July 1, 2003 and supplements and successive issues thereof.

EXPLANATION OF REFERENCE MARKS:

- [C] Cancel
- [N] New
- [W] Change in wording only